BUSINESS COUNCIL FOR

Prosperity and Safety

STATEMENT BY ERIC E. STERLING SUBMITTED TO THE MARYLAND HOUSE OF DELEGATES JUDICIARY COMMITTEE HON. LUKE CLIPPINGER, CHAIR HON. VANESSA E. ATTERBEARY, VICE CHAIR January 28, 2020

IN SUPPORT OF HB 83 Concerning

Criminal Procedure – Automatic Expungement – Possession of Marijuana

Chair Clippinger, Vice-Chair Atterbeary, Honorable Delegates, thank you for the opportunity to submit a statement in support of HB 83. I am Eric E. Sterling, founder of the Business Council for Prosperity and Safety in Silver Spring. We oppose criminal justice policies that handicap the economy unless they demonstrably improve public safety.

The people of Maryland want increased business activity and employment so that additional households in Maryland can have good incomes. More business activity generates more profits which contribute to the state's revenue which can help pay for Maryland's top priorities: education, public safety, clean environment, health care, transportation, etc. – the things you ran for elected office to achieve!

Thousands of times a day, having a criminal record means a qualified person does not get employed. To reasonably manage job applications, businesses use web forms and artificial intelligence to screen the crush of applications. With low unemployment, employers don't get those qualified applicants who are excluded due to criminal records, often very old. Thus vacancies are slow to fill, reducing productivity.

HB83, with a system of automatic expungement four years after the disposition of the charge, is the right approach to this kind of business problem.

Every person with a record is not out of work – often they have "off-the-books" and income tax is not withheld, and maybe never paid. Perhaps they have a paycheck job. That pay, of course, is usually below the pay the same person with no record could earn. That difference – between the low pay the person with a record is able to scrape together – and the wage and paycheck that could be earned without the record – **over a lifetime**

that can amount to hundreds of thousands of dollars, and tens of thousands of dollars in lost potential tax revenue! We can fix this with automatic expungement of records. People need to be able seek jobs and live as though they have a clean slate, and to say honestly because the law authorizes them to say, "I have no record."

Today, the harsh punishment of a marijuana possession conviction is not imprisonment or jail, or even the fine – the harsh punishment is a lifetime of reduced earnings because of the record.

The person denied employment – or denied a paycheck – can't generate additional business activity. The person with the record, and without the job or paycheck, is often unable to get a credit card. Lots of people in the neighborhood with a record threaten the viability of neighborhood businesses. Without a paycheck, it is hard to qualify for a car loan. In the U.S., from 1970 when the war on drugs kicked off until the great recession, the rate of increase in new car purchases grew at half the rate of population increase.

Consumer spending is 60 percent, maybe 70 percent of our nation's economy. Records that are not automatically expunged reduce purchasing power throughout the economy of the state and the nation. Every American investor suffers reduced returns. Automatic expungement fixes these problems.

This loss-of-multiplier economic effect is a way to understand the vast economic harm that non-expiring, lifetime criminal records have on the State of Maryland and businesses around the state. We all lose!

Over most of the past 20 years, the labor force participation rate for prime age adults (25-54) has been slowly declining. One reason is the impact of criminal records. People with marijuana records are now old enough to collect some Social Security – but over their working lives they contributed much less to Social Security than they could have if they didn't have a record. Without automatic expungement, every conviction is a life-time record, a life sentence of reduced economic and social opportunity.

HB 83 is good economic policy for Maryland, good for taxpayers and good for business.

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Summary credentials:

Resident and voter, Maryland 18th Senatorial District (1998 to date)
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Assistant Counsel, U.S. House Judiciary Committee, 1979 -1989
Montgomery County Alcohol and Other Drug Abuse Advisory Council (AODAAC),
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